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SUBJECT: Italy: Changing Public Attitudes Toward
Intellectual Property (IPR) Rights and Boosting
Prosecutions of IPR Violations

Refs: A. ROME 2428, B. ROME 1858, C. 05 ROME 4046, D.
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SUMMARY

1. Italy has some of the better IPR protection laws in the EU, but enforcement is stunningly lackluster. Until 2005, Mission Italy focused a more than decade-long effort on improving enforcement, but we also began to consider how we might change Italians' perceptions toward IPR as a way to support enforcement efforts. This message reports our second annual conference on changing perceptions, where we believe we advanced our goal by 1) introducing concerns of organized labor; 2) encouraging follow-on projects among the stakeholders themselves; and 3) producing candid evaluations and self-criticisms of weaknesses in IPR protection efforts. End Summary.

CURRENT IPR SITUATION IN ITALY

2. Embassy public diplomacy outreach (reftels A, B, C, D) focused on the need to improve enforcement following the passage of a set of quite good IPR protection laws. Over more than a decade, the Mission organized over-subscribed conferences to bring together U.S. law enforcement and judicial officials and share best U.S. practices. While enforcement improved, it was clear that IPR abuse more than kept pace. In 2005 we began to discuss how we might change Italian public perception toward IPR to create a culture of IPR legality. The conference in November 2006 in Florence was an attempt to take our efforts to change public perception a step further, and to encourage a culture of IPR legality.

THE WORKSHOP

3. The City of Florence co-hosted the two-day roundtable.

Thirty-five experts from national and local governments, public sector agencies, industry, law enforcement, magistracy, trade-associations, and academia attended. U.S. participants were drawn from Embassy Rome and the three Consulates; USPTO; and Street Law, a U.S. NGO conducting IPR education programs in U.S. schools (Embassy Rome Public Affairs section of Embassy Rome sponsored Street LawQs participation).

¶4. We also invited Confederazione Generale Italiana del Lavoro (CGIL), one of ItalyQs major labor unions. Our invitation was strategic Q to convince union leadership of this most left-leaning of ItalyQs major unions Q that piracy and counterfeiting affect employment in Italy, and to ask union leadership to join the effort to educate union ranks, the greater public and political class on the need for better IPR protection. We also pushed participants to toss their, at times, platitudinous remarks and to offer candid appraisals of the IPR situation.

Description: A Cultural Epidemic

¶5. All participants agreed that disregard for IPR is rampant throughout the culture. They also faulted Italian efforts in IPR protection in various areas. There was consensus that Italians perceive different levels of crime, with piracy and counterfeiting considered benign. As a result, there is an attitude of leniency toward IPR offenders, particularly among young people, but also in society as a whole. Most also agreed that even the most

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educated Italians do not understand IPQs value to the economy, and the need to protect IPR to stimulate innovation and growth.

¶6. Participants claimed that some prominent Italian political figures, including Ministers, have openly declared they buy counterfeit and pirated goods, and that other Italian politiciansQ public statements demonstrating indifference to the issue have undermined IPR protection. The union representative observed that some major retailers knowingly sell pirated goods alongside legal products, so that much counterfeiting is actually generated by the legal economy. The Florentine local police representative described illegal aliensQ flagrant open sales of counterfeit goods on Florence streets. She called for tougher penalties, including rescinding alien resident status, for immigrants caught selling counterfeit goods. Finally, a number of participants pointed out that internet downloading presented problems of control that the representative of the Communications Authority called Qtechnically impossible or beyond current capacities.

Prescription: Increase Awareness and Enforcement

¶7. A number of participants agreed that positive messages, with focus on the benefits society derives from adequate IPR protection would be effective. Several participants expressed the need to educate the young on IPR values, since primary- and secondary-school aged children are consumers and shapers of culture. Participants also agreed that they must redouble their efforts Q alone and together Q to change public perceptions toward IPR.

¶8. During the official session and on the margins, several participants complained about an across the board amnesty the government granted this summer on a broad spectrum of crimes in Italy, including IPR violations. This amnesty effectively wiped out a great majority of recent convictions on IPR violations and has discouraged

prosecutors from taking further action on many pending IPR cases. As an indication of the difficulty of securing government action in this area, the representative of the Italian Music Federation noted that the political class, including parliamentarians, need education on IPR basics, but also on Italy's current responsibilities under international agreements and EU directives.

PROPOSED PROJECTS

19. Sixteen participants offered ideas for new, self-funded projects, which we present below. Note that these proposals are still in an embryonic stage and thus somewhat general.

Economic Development Ministry (Italian Patent and Trademark OfficeQIPTO)

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- Promote a culture of IPR legality to consumer groups.
 - Develop IPTO website to include IPR education campaigns.
 - Offer universities IPR protection for investment in research, innovation, and for university-private sector collaboration.
 - Initiate discussions on IPR issues among opinion-makers in the media.

Communications Authority

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- Conduct IPR awareness campaigns with online service providers.

Federcomin (Italy's association of ICT industries)

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- Launch a self-regulating IPR-protection code for internet service providers.

Music Industry

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- Launch education campaigns for journalists and politicians.

Business Software Alliance (BSA, software industry association)

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- Working with the financial police, educate business about white-collar software piracy.
 - Formation of an QassociationQ of institutions concerned with IPR.

High Commissioner for Anti-Counterfeiting

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- Conduct a public information campaign on economic/criminal dangers of IPR piracy.
 - Conduct a public information campaign to help consumers distinguish between legal and pirated products.
 - Develop piracy statistics.

CGILQUNION

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- Sensitize public on piracy's impact on the job market.
 - Request retailers/distributors sign a public statement verifying that their products comply with IPR laws.
 - Secure cooperation among the three major national unions on an anti-piracy position.

Anti-Mafia Directorate

- Sensitize local judicial offices on the need to train magistrates on IPR legislation and enforcement.
- Initiate a train-the-trainer program for the 54 magistrates with responsibility for developing magistrate training programs within Italy's 27 judicial districts.

Communications Police

- Sensitize the public on IPR violation risks, e.g., counterfeit drugs, downloading viruses.

State Police Training Directorate

- Include IPR enforcement sessions within police training programs.

Innovation Ministry

- Develop IPR programs for teacher training.

Societa Italiana degli Autori ed Editori (SIAE: Italy's royalty payment society)

- Broadcast IPR awareness programs during the day to reach younger viewers (with repeated airings).

Italian Universities

- Include IPR awareness courses as part of the mandatory curriculum.

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Confindustria (employers' association)

- Educate industry members about the value of IP.
- Create patenting consortia to foster collaborative research.

Associazione Nazionale Comuni Italiani (ANCI's Italian mayor's association)/City of Florence

- Form a working group of 10-12 principal Italian cities to develop local IPR communications campaigns to be replicated at a national level.

NEXT STEPS

¶10. We have encouraged conference attendees to work independently and collaborate together, as appropriate on individual projects listed above. We see the Embassy's role as that of a catalyst to ensure projects advance. We are now creating a closed internet site tracking all projects, with access limited to Mission Italy and Florence workshop participants, both to watch progress and to intervene, as necessary.

¶11. We already have already approached the Magistracy and police training directorate to collaborate on their projects to train magistrate trainers and police officers. We also are internally discussing strategies to address training politicians, including parliamentarians.

¶12. Aside from our work to change public attitudes towards IPR, we continue to hammer home the importance of enforcement (we are preparing for our annual spring retreat with Italian law enforcement officials/magistrates) and public diplomacy outreach on IPR within the context of the AmbassadorQs Partnership for Growth, our broad effort aimed at increasing entrepreneurship and economic growth.

Comment

¶13. We believe bringing key operational-level players together and encouraging them to collaborate can have an impact on public tolerance of IPR theft. We also believe our role in promoting IPR protection in Italy must focus the Italians on reversing policies and changing attitudes that discourage prosecution of IPR violations. Further, we think that reaching out to ItalyQs unions Q and thus educating the rank and file on how IPR theft affects them and their families Q could have important consequences for our efforts, particularly if the left-of-center government begins to understand that IPR is not just a concern of business and center-right. End comment.

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